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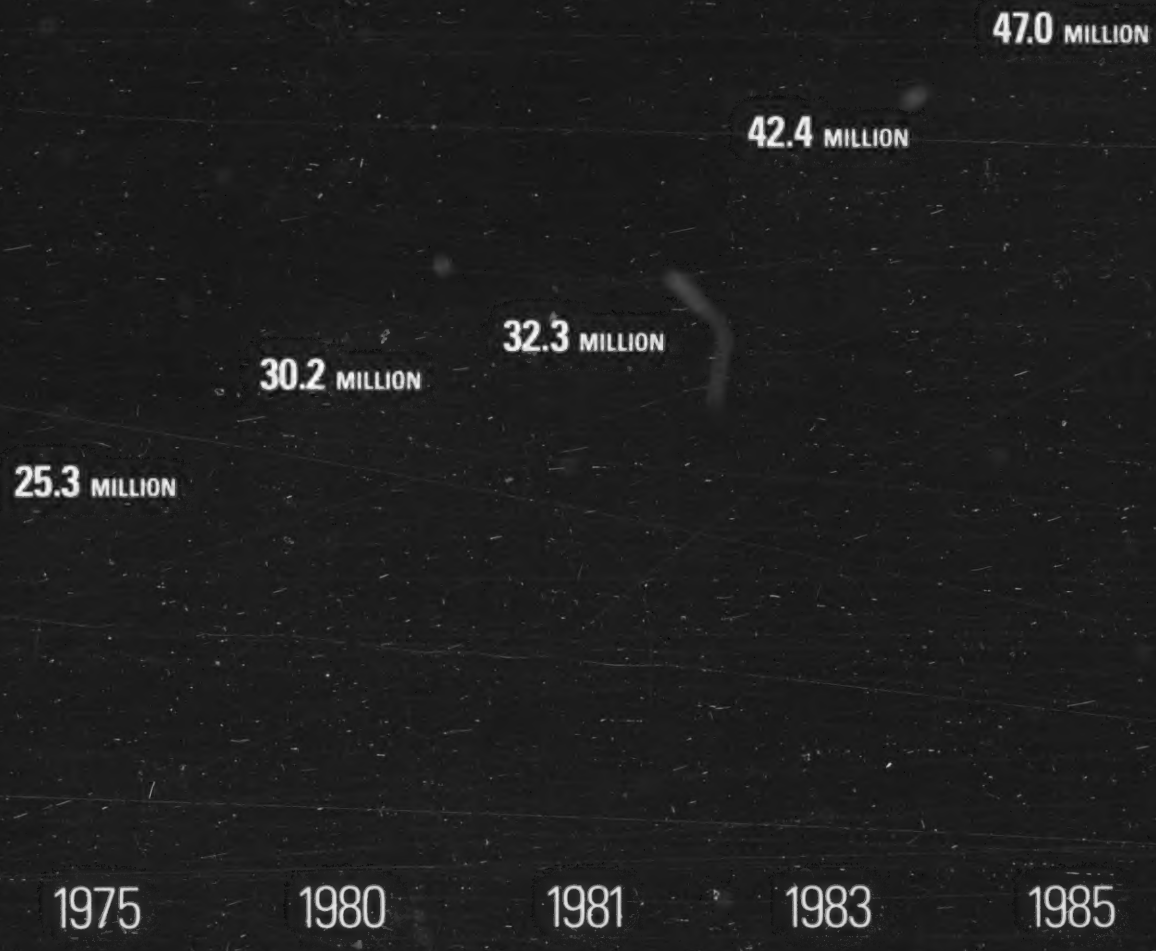
Shareownership 1985



Contents

Introduction 1
Growth of Shareowner Population Continues 3
Ownership by Type of Security Owned 4

Characteristics of Shareowners
Age 6
Sex 7
Education 8
Occupation 9
Income 10
Portfolio Size 11
Means of Obtaining Stock 12

Geographic Distribution of Shareowners
Metropolitan Areas 14
Geographic Regions 15
New England 16
Middle Atlantic 17
South Atlantic 18
East North Central 19
West North Central 20
East South Central 21
West South Central 22
Mountain 23
Pacific 24

Shareowner Profiles
New Owners 26
Women Owners 27
Employee Owners 28
Senior Citizen Owners 29
Brokerage Customers 30
IRA/Keogh Owners 31

Attitude Toward Shareownership: A Look at the Future
The Investing Public 34
Public Outlook 35
Investor Attitudes 36
Stockbroker Perspectives 37

Acknowledgements 38
Methodology 39

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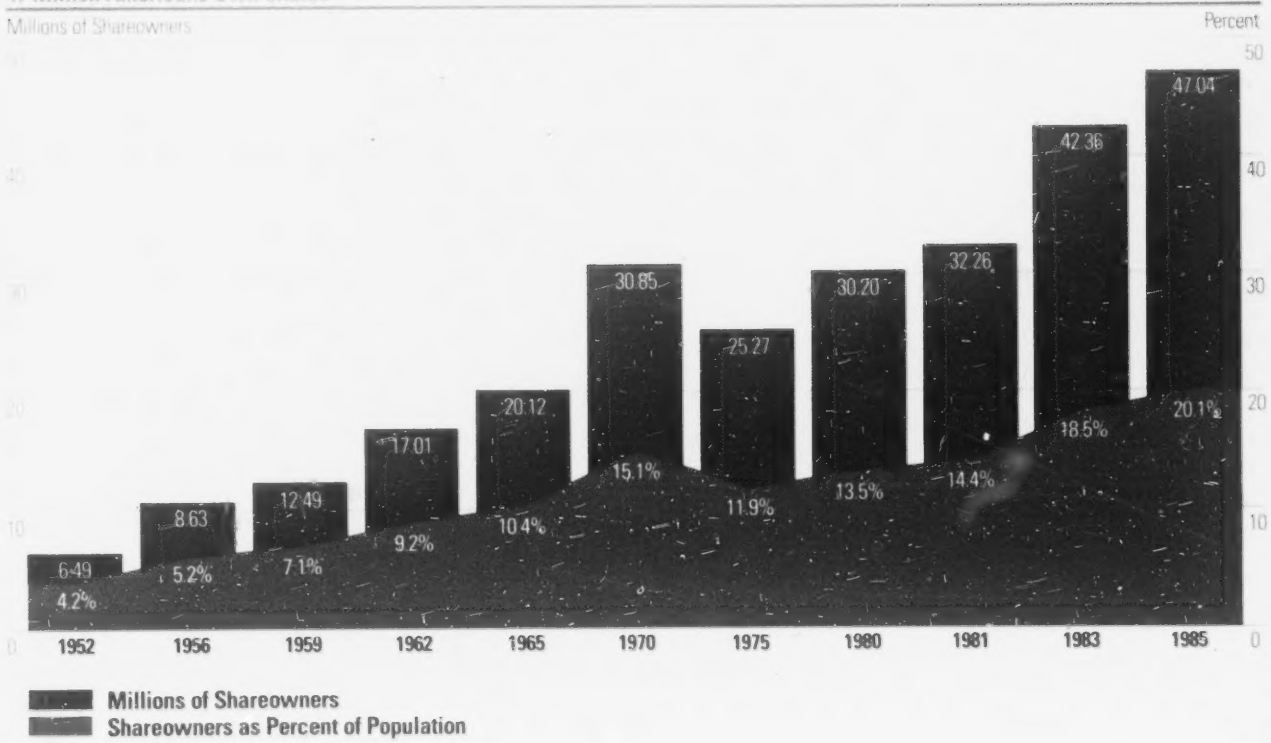
John J. Phelan, Jr.
Chairman and
Chief Executive Officer

Growth of Shareowner Population Continues

Number of Shareowners
Up 11% over 1983

47 Million Americans Own Shares



Ownership by Type of Security Owned

Stock Mutual Funds Extend Growth Trend

Total Shareowners of Public Corporations by Type of Security (Multi-market Basis)

	Individual Shareowners					
	Mid-1985		Mid-1983		Change From 1983 to 1985	
Type of Security	Number of Shareowners	Percent of Total	Number of Shareowners	Percent of Total	Number of Shareowners	Percent Change
New York Stock Exchange-listed	25,263,000	69.7	26,029,000	75.5	(766,000)	(−2.9)
Other Stock Exchange-listed	3,224,000	8.9	1,928,000	5.6	1,296,000	+67.2
Over-the-Counter	8,344,000	23.0	10,221,000	29.6	(1,877,000)	(−18.4)
Stock Mutual Funds	10,994,000	30.3	8,257,000	23.9	2,737,000	+33.1
Duplicated Shareownership*	**47,825,000**	**131.9**	46,435,000	134.6	**1,390,000**	**+3.0**
No Answer	10,776,000		7,866,000			

*Shareowners owning stock in more than one category.

Ownership by Type of Security—1985 (Exclusive Marketplace Participation)

	Individual Shareowners					
	Mid-1985		Mid-1983		Change From 1983 to 1985	
Type of Security	Number of Shareowners	Percent of Total	Number of Shareowners	Percent of Total	Number of Shareowners	Percent Change
New York Stock Exchange-listed Only	17,066,000	47.1	17,219,000	49.9	(153,000)	(−0.9)
Other Stock Exchange-listed Only	868,000	2.4	320,000	0.9	548,000	+171.3
Over-the-Counter Only	3,124,000	8.6	3,244,000	9.4	(120,000)	(−3.7)
Stock Mutual Funds Only	6,219,000	17.1	3,730,000	10.8	2,489,000	+66.7
More Than One Type of Security	8,987,000	24.8	9,981,000	29.0	(994,000)	(−10.0)
Sub-Total	**36,264,000**	**100.0**	34,494,000	100.0	**1,770,000**	**+5.1**
No Answer	10,776,000		7,866,000			
Total	**47,040,000**		42,360,000			

Characteristics of Shareowners

Decline in Median Age Continues

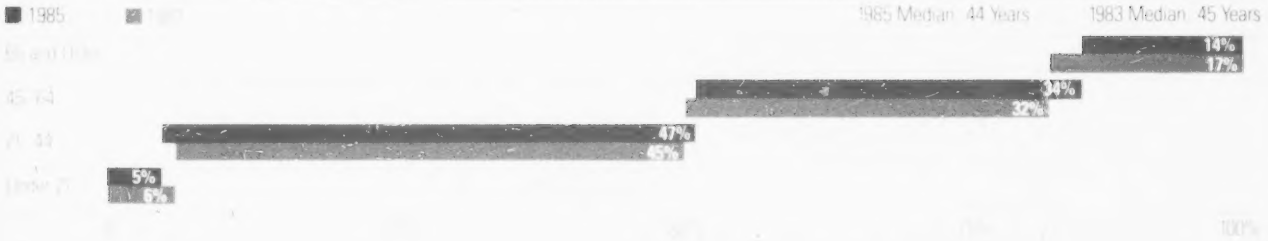
Since reaching a high of 52 years in 1975, the median age of all shareowners has declined steadily. The 1985 shareownership survey measured the median age of all shareowners at 44 years and the median age of adult shareowners at 45 years.

Shareownership increases were not seen in all age groups. In fact, the number of shareowners over 65 and the number of shareowning monies declined in absolute numbers as well as in share of the total. Growth occurred only among working adults, those under 65 years of age. This reflected trends occurring in the general population where the large baby boom generation has now moved into its middle adult years. Until there was some reduction in the number of shareowning monies who reflected the national trend to see that portion of the general population is one of the slowest growing.

It was not surprising to see that the largest shareowner increases were made among middle-aged individuals in spite of the often-echoed cry of aging of the general population. It was the baby boom generation that had the large impact on shareownership. Over the coming decade, however, the aging of these individuals will cause a shift of shareowner concentrations back toward the older groups, as the general population moves into the higher age brackets.

It is almost certain that the median age of shareowners is at or near the youngest point it will reach. It is now at the age when asset accumulation begins but it is also very close to the median age of the general adult population. While many existing shareowners will be carried into the over forty group, it is likely new shareowners too will come from the large over forty population created by the aging of the baby boom population. These new shareowners will swell the ranks of those who entered the market at younger ages and create a large population of shareowners older than those of today. At the same time, veteran investors the same age will be increasing their asset bases as they reach their peak earning years. If some of the assets of this large population are put into stock market investments, spectacular increases in capital will be available to the brokerage industry.

Working Adults Increase Dominance



Total Shareowners of Public Corporations by Age

	Individual Shareowners			
	Mid-1985		Mid-1983	
Age	Number	% of Total	Number	% of Total
Under 21 Years*	2,260,000	4.8	2,749,000	6.5
21 to 44 Years	22,075,000	46.9	18,898,000	44.6
45 to 64 Years	16,116,000	34.3	13,436,000	31.7
65 Years and Older	6,589,000	14.0	7,277,000	17.2
Total	**47,040,000**	**100.0**	42,360,000	**100.0**
Median Age				
All Shareowners	44 Years		45 Years	
Adult Shareowners	45 Years		46 Years	
U.S. Population	31 Years		30 Years	
U.S. Adult Population**	42 Years		42 Years	

*In 1985, the "Under 21 Years" category includes 1,000,000 shareowners in the 20 years of age category.
**Median age of U.S. adult population (Census Bureau) 18 years of age and over.

Shareownership Divided Equally Between Men and Women

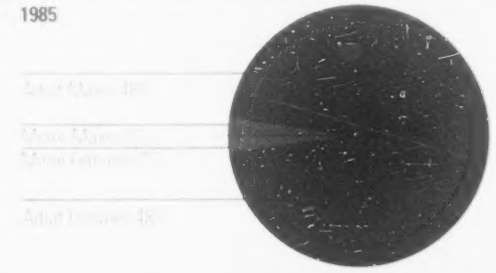
Historically, the ratio of male to female investors has hovered around half and half. In this study, that ratio struck an even balance after tipping slightly toward a female majority in mid-1983. This reflected a large increase in the number of male shareowners during the two year period in spite of a greater proportion of women among new shareowners, the difference being that many males were returning to the market rather than making first stock market investments.

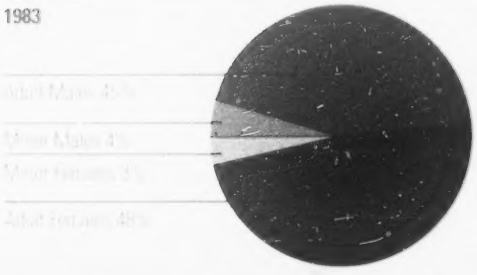
Many of the traditional differences between male and female shareowners remain. Investors are married. Women were more educated, more often in the workforce, and less often probate/estate terminations than have been seen in the past. Women also were closer to males in their attitudes toward risk-aversion and were not as likely as men to have an IRA or Keogh account and a percentage at times in their own name. The role of the woman shareowner certainly seems to be changing.

Among minors, boy shareowners continued to hold a substantial percentage lead over girls. Though in this study, the definition of minor was changed from "under 21" to "under 18", the male to female ratio was the same under either definition.

For more information on female shareowners, refer to the Profiles section of this report, page 77.

Among Adult Shareowners, Men and Women Equally Represented





Total Shareowners of Public Corporations by Sex

	Individual Shareowners			
	Mid-1985		Mid-1983	
	Number	% of Total	Number	% of Total
Adult Males	22,484,000	50.0	19,226,000	48.5
Adult Females	22,509,000	50.0	20,385,000	51.5
Sub-Total Adults	**44,993,000**	**100.0**	**39,611,000**	**100.0**
Minor Males	1,215,000	59.4	1,638,000	59.6
Minor Females	832,000	40.6	1,111,000	40.4
Sub-Total Minors	**2,047,000**	**100.0**	**2,749,000**	**100.0**
Total	**47,040,000**		**42,360,000**	

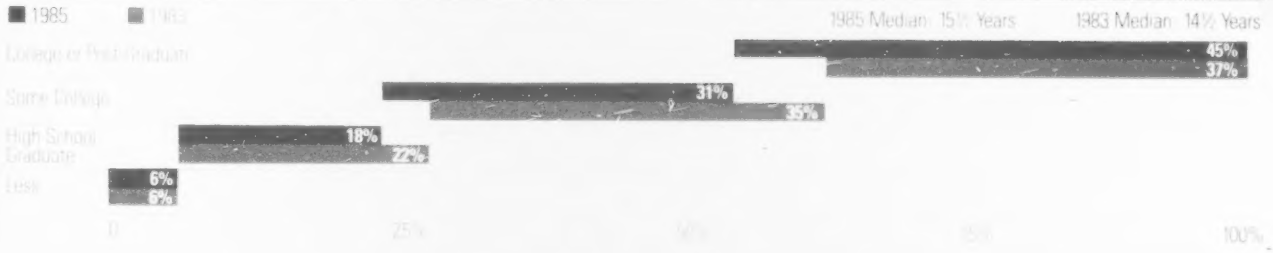
Most Shareowner Growth at Highest Education Levels

In mid-1985, 44.9% of all shareowners had completed at least four years of college. This was in contrast to the 36.8% recorded at mid-1983 and indicated the speed with which education levels are rising among shareowners as well as in the general population. This high level of education was also reflected in the rising incidence of white collar professions which was seen in the 1985 survey.

Between mid-1983 and mid-1985, nearly five and a half million college educated individuals (an increase of 38.1%) became shareowners. Representing a gain of eight percentage points, that increase was the largest seen by any of the education classifications.

Simultaneously, investors with just four years of high school declined in absolute number as well as in percent of the total. The number of individuals with more than high school but less than four years of college (the group which includes two year degrees, technical, and business school graduates) increased only slightly and lost as a percentage of the total. More of those individuals with post high school degrees might join the shareowning population if specialized training continues to gain popularity and as people who have completed their courses in the recent past reach an age of asset accumulation.

Large Shareowner Increase at Highest Education Level



Adult Shareowners of Public Corporations by Education

	Individual Shareowners			
	Mid-1985		Mid-1983	
Schooling Completed	Number	% of Total	Number	% of Total
3 Years High School or Less	2,513,000	5.7	2,356,000	6.0
4 Years High School	7,869,000	17.8	8,788,000	22.5
1 to 3 Years College	13,937,000	31.6	13,529,000	34.7
4 Years College or More	19,854,000	44.9	14,375,000	36.8
Sub-Total	**44,173,000**	**100.0**	**39,048,000**	**100.0**
Minors	2,047,000		2,749,000	
Not Classified by Education	820,000		563,000	
Total	**47,040,000**		**42,360,000**	

White Collar Occupations Raise Shareownership Dominance

The dominant position of the white collar professions among shareowners was again confirmed by the 1985 survey. Overall, the percentage of shareowners who work in a white collar profession increased to 57% of the total from 54% in 1983. Within the white collar classification, shareowners who work in professional/technical occupations posted the largest numerical gain with an increase of just under three million shareowners. Since white collar workers also had a high incidence of IRA ownership, it seems reasonable that many of these individuals were encouraged to become shareowners through that route and enjoyed their tax advantages. As a proportion of all shareowners, individuals in white collar professions increased from 178% to 22.5% though shareowners working as clericals or in sales declined in number as well as in percent of the total.

Many individuals who work in blue collar professions also became shareowners during the past two years but the rate of increase seen in those professions was somewhat lower than that seen by white collar workers. Their percent of the total increased from 14% in 1983 to the 1985 figure of 16%. Within that group, there were fewer craftsmen and foremen but that loss was off-set by increases in the number of operatives and laborers and the number of service workers. Individuals working in these professions show a higher than average level of participation in employee purchase plans. Growth of those plans has been leveling off, which explains the slower rate of increase among the blue collar workers.

The number of housewives, retired persons, and non-employed adults who were shareowners dropped during the two year period spanned by this study. In mid-1985, 27.4% of all shareowners fell into one of these groups compared to 32.2% in mid-1983. One reason for that loss was a declining national unemployment rate, another was the growing proportion of women opting for out-of-the-home employment.

White Collars Increase Representation

Adult Shareowners of Public Corporations by Occupation

	Individual Shareowners			
	Mid-1985		Mid-1983	
Occupation	Number	% of Total	Number	% of Total
Professional and Technical	9,725,000	22.5	6,741,000	17.8
Managers, Officials and Proprietors	8,399,000	19.4	6,522,000	17.3
Clerical and Sales	6,288,000	14.6	6,912,000	18.3
Craftsmen and Foremen	2,821,000	6.5	3,385,000	9.0
Operatives and Laborers	2,346,000	5.4	1,016,000	2.7
Service Workers	1,372,000	3.2	775,000	2.0
Farmers and Farm Laborers	382,000	0.9	250,000	0.7
Housewives, Retired Persons and Non-Employed Adults*	11,819,000	27.4	12,192,000	32.2
Sub-Total	**43,152,000**	**100.0**	**37,793,000**	**100.0**
Minors	2,047,000		2,749,000	
Not Classified by Occupation	1,841,000		1,818,000	
Total	**47,040,000**		**42,360,000**	

*Includes Armed Forces Personnel

Upper Income Groups Show Large Gains

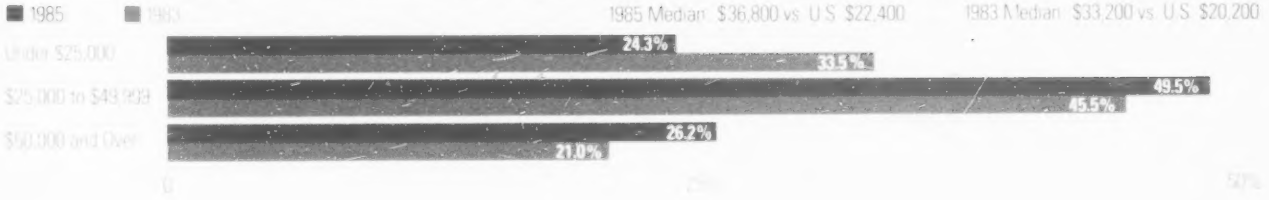
In the mid-1985 survey, half of all shareowners said they had a household income of between $25,000 and $49,999. The number of shareowners whose income fell within that range increased by more than four million over the mid-1983 figure. Simultaneously, the number of shareowners reporting income of $50,000 and over jumped by nearly three and a half million. Three out of every four shareowners had a household income above the $25,000 level.

The median household income reported by shareowners in mid-1985 was $36,800 — 64.1% above the national median of $22,400. Exactly that same ratio was recorded in 1983 though the medians were somewhat lower.

The lowest-income group, households with income of under $10,000 a year, has recorded a small increase during the two-year period. Typically that category has a disproportionate share of retired individuals. It is likely that during the recent period of high-ering interest rates, several individuals fell below the $10,000 figure as they commenced drawing income related to their interest bearing investments.

The number of shareowners in the middle income groups declined between 1983 and 1985. Those earning $10,000 to $14,999 actually shrank in size by more than 1/4 of this class total. During the past two years, the number of shareowners who have household income between $10,000 and $25,000 dropped from a 29.6% share of shareowners to 26.7%.

Shareowner Income Above General Population's



Adult Shareowners of Public Corporations by Income

	Individual Shareowners			
	Mid-1985		Mid-1983	
Household Income	Number	% of Total	Number	% of Total
Under $10,000	2,151,000	5.0	1,460,000	3.9
$10,000 - $14,999	1,193,000	2.8	2,596,000	6.9
$15,000 - $24,999	7,116,000	16.5	8,579,000	22.7
$25,000 - $49,999	21,369,000	49.5	17,168,000	45.5
$50,000 and Over	11,321,000	26.2	7,918,000	21.0
Sub-Total	**43,150,000**	**100.0**	**37,721,000**	**100.0**
Minors	2,047,000		2,749,000	
Not Classified by Income	1,843,000		1,890,000	
Total	**47,040,000**		**42,360,000**	
Median Income:				
Adult Shareowners	$36,800		$33,200	
U.S. Population	$22,400		$20,200	

Moderate Sized Portfolios Retain Importance

The median portfolio value made a noteworthy rise from $5,100 to $6,200 during the two year period for better than a twenty-one percent increase. Though a portion of this rise could be attributed to rising prices, market price indicators did not support that large an increase in portfolio value. That, along with other supporting research done by the Exchange, indicates that individuals not only left accumulated funds in their accounts, but also added to them at a strong rate.

Median Portfolio Value Up Sharply

Adult Shareowners of Public Corporations by Portfolio Size

	Individual Shareowners			
	Mid-1985		Mid-1983	
Portfolio Size	Number	% of Total	Number	% of Total
Under $5,000	17,173,000	45.0	17,522,000	49.8
$5,000 to $9,999	7,119,000	18.6	4,665,000	13.2
$10,000 to $24,999	5,888,000	15.4	4,851,000	13.8
$25,000 to $49,999	3,450,000	9.0	3,841,000	10.9
$50,000 and Over	4,569,000	12.0	4,346,000	12.3
Sub-Total	38,199,000	100.0	35,225,000	100.0
Minors	2,047,000		2,749,000	
Not Classified by Portfolio Size	6,794,000		4,386,000	
Total	47,040,000		42,360,000	
Median Portfolio Values:				
All Shareowners	$6,200		$5,100	

Individuals Still Likely to Use Brokers First

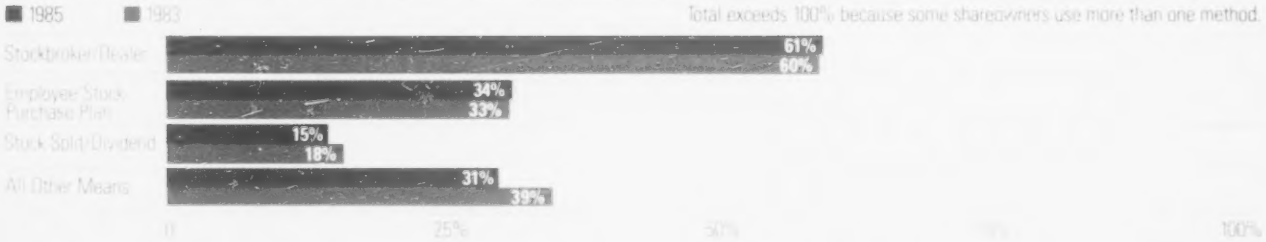
As in previous years, stock brokers or dealers were used by an overwhelming majority of shareowners. In mid-1985, 61.2% said they used a broker at that time. This compared with a percentage of 60.2% in 1983.

Other research from this study showed that incidence of broker usage increases as shareowners spend more time in the stock market. Though the large majority of shareowners use a stock broker, fewer than half were introduced to the market by a broker. In mid-1985, 42.3% said they made their first acquisition in that way. Still that was the largest single source of introductions.

The second most popular means of entering the market was the employee purchase plan through which one out of four shareowners began making investments in stock. That number was down slightly from the figure seen in 1983 as the employee purchase plan apparently lost some of the popularity it was enjoying during the early part of the decade.

Though as a mode of first acquisition the largest percentage gain was seen by the insurance agent, where the absolute number more than tripled, it is too early to identify this as a trend. That might have resulted from aggressive marketing programs taken toward opening IRA accounts combined with the recent upsurge in mutual fund ownership. Many insurance companies offer IRA's which invest principally in mutual funds. Insurance agents still introduce only a small percentage of the total number of new shareowners.

All Means of Obtaining Stock Now Used



Adult Shareowners of Public Corporations by Method of First Stock Acquisition

	Individual Shareowners			
	Mid-1985		Mid-1983	
Method of First Acquisition	Number	% of Total	Number	% of Total
Stockbroker or Dealer	14,519,000	42.3	13,609,000	41.0
Employee Stock Purchase Plan	9,381,000	27.3	10,691,000	32.3
Gift or Inheritance	6,151,000	17.9	4,932,000	14.9
Bank	1,328,000	3.9	1,670,000	5.0
Company Bonus	1,463,000	4.3	1,092,000	3.3
Insurance Agent	1,485,000	4.3	400,000	1.2
IRA or Keogh	NA	NA	755,000	2.3
Sub-Total	**34,327,000**	**100.0**	**33,149,000**	**100.0**
Minors	2,047,000		2,749,000	
Not Classified by Method	10,666,000		6,462,000	
Total	**47,040,000**		**42,360,000**	

NA - Not Available

Geographic Distribution of Shareowners

Shareownership Remains Concentrated in Metropolitan Areas

From shareownership and general population perspectives, United States metropolitan areas continued to expand at rates surpassing those of non-metro areas. Between 1983 and 1985, shareownership in the metro areas grew 11.8% and in non-metro areas, 7.4%. The general population, however, grew at a much slower 2.3% and 0.5% rates for metro and non-metro areas respectively.

More than half the nation's shareowners continued to live in the largest metropolitan areas — those with a million or more inhabitants. In such areas, shareownership expanded 13.9% during the past two years compared with 11.8% for all metro areas. The other high growth category was the under 100,000 inhabitant metro areas where shareownership expansion was 17.2% versus an 8.9% increase in the general population. That category, however, represents a very small (less than 3%) proportion of both the shareowner and general populations.

The number of metropolitan areas with over a million shareowners increased from three to five during this two-year period. Washington, D.C. and Boston became the fourth and fifth areas to contain over a million shareowners each. Simultaneously, Philadelphia and Detroit were displaced in the size ranking and dropped into sixth and seventh positions.

Other major changes in the large metropolitan area rankings included Atlanta, which jumped from 15th to 11th place; San Jose, which moved from 22nd to 19th and Denver which moved from 24th to 22nd. St. Louis also made a large jump to 15th place but a change in the definition of its geographic boundaries makes the 1985 figures not exactly comparable to 1983.

Metropolitan areas where declines in rank occurred included Newark, San Francisco, Baltimore, San Diego, Seattle, Pittsburgh, and Cleveland. Miami fell from the list as Bergen/Passaic became the 25th largest shareowning metropolitan area.

All of these areas, including those which fell in ranking, had actual gains in the number of shareowners.

Total Shareowners of Top 25 Metropolitan Areas

Metropolitan Area	Number	Metropolitan Area	Number	Metropolitan Area	Number
New York	2,507,000	Houston	790,000	San Diego	461,000
Los Angeles-Long Beach	1,883,000	Anaheim-Santa Ana	613,000	San Jose	449,000
Chicago	1,685,000	Atlanta	576,000	Seattle	434,000
Washington, D.C.	1,089,000	Dallas	570,000	Oakland	426,000
Boston-Lawrence-Salem-Lowell-Brockton	1,046,000	Minneapolis-St. Paul	565,000	Denver	413,000
		Newark	521,000	Pittsburgh	406,000
Philadelphia	996,000	St. Louis	519,000*	Cleveland	401,000
Detroit	962,000	San Francisco	496,000	Bergen-Passaic, N.J.	397,000
Nassau-Suffolk, N.Y.	913,000	Baltimore	467,000		

*Due to new U.S. Census Bureau definitions for area and household population, not 1983 comparable.

Shareowners Distribution by Size of Metropolitan Area

	Individual Shareowners						
	Mid-1985		Mid-1983		1985 Est* Household Population	% Who Are Shareowners	
Metropolitan Area Population*	Number	% of Total	Number	% of Total		1985	1983
1,000,000 & Over	24,751,000	52.6	21,730,000	51.3	98,892,000	25.0	23.2
500,000-999,999	6,950,000	14.8	6,555,000	15.5	33,179,000	20.9	19.0
250,000-499,999	4,293,000	9.1	3,962,000	9.4	23,652,000	18.2	16.7
100,000-249,999	3,448,000	7.3	3,060,000	7.2	20,422,000	16.9	15.1
Under 100,000	307,000	0.7	262,000	0.6	1,741,000	17.6	16.4
Metro Areas Total	**39,749,000**	**84.5**	35,569,000	84.0	**177,886,000****	**22.3**	20.5
Non-Metro Areas	7,291,000	15.5	6,791,000	16.0	55,630,000**	13.1	12.3
Total	**47,040,000**	**100.0**	42,360,000	100.0	**233,516,000**	**20.1**	18.5

*Based on Metropolitan Statistical Areas of the U.S. Bureau of Census.
**NYSE estimates based on U.S. Census and Sales & Marketing Management data.

All Regions Gain Shareowners, but Growth Rates Differ Sharply

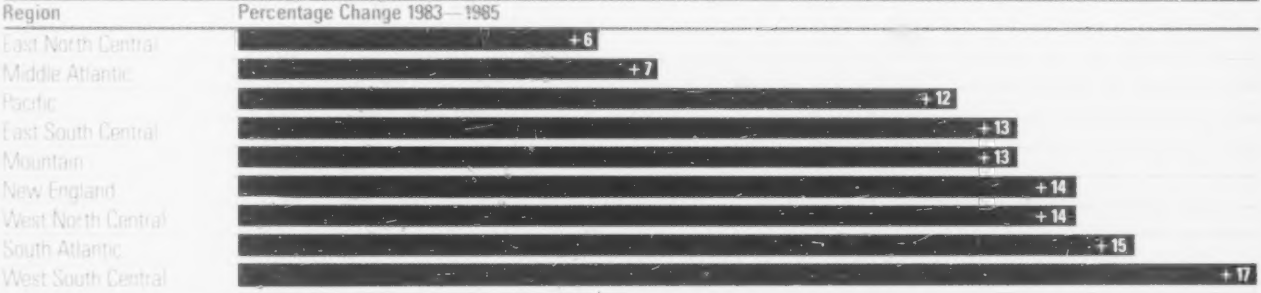
Ranked by size of the shareowner population, the nine geographic regions of the United States retained the same order as was seen in 1983. The largest area, the Mid-Atlantic, increased its shareowner base by over a half million individuals to raise its total to nearly nine million individuals.

That region and the second largest shareowning region, the East North Central, had the two lowest rates of growth during the two year period. The percentage of all shareowners who live in these two regions dropped dramatically.

The largest numerical gain took place in the South Atlantic region. Its gain of 987,000 shareowners gave it a 15.2% increase to make it the second fastest growing shareowning area. The incidence of shareowners within the South Atlantic region jumped a full two percentage points. Still, it was below the national incidence figure of 20.1%.

The highest growth rate was experienced in the West South Central region which gained 648,000 shareowners. That region was also the fastest growing area of the country with a 4.5% increase in the general population.

All Regions See Healthy Growth



Total Shareowners of Public Corporations by Region

Region	Individual Shareowners Mid-1985 Number	% of Total	Mid-1983 Number	% of Total	1983 to 1985 Increase Number	% Increase	1985 Est.* Household Population	% Who Are Shareowners 1985	1983
New England	3,112,000	6.6	2,733,000	6.5	379,000	13.9	12,353,000	25.2	22.3
Middle Atlantic	8,998,000	19.1	8,441,000	19.9	557,000	6.6	36,679,000	24.5	23.3
South Atlantic	7,462,000	15.9	6,475,000	15.3	987,000	15.2	39,108,000	19.1	17.1
East North Central	7,997,000	17.0	7,554,000	17.8	443,000	5.9	41,056,000	19.5	18.3
West North Central	3,081,000	6.5	2,695,000	6.4	386,000	14.3	17,292,000	17.8	15.7
East South Central	1,861,000	4.0	1,650,000	3.9	211,000	12.8	14,896,000	12.5	11.1
West South Central	4,520,000	9.6	3,872,000	9.1	648,000	16.7	25,868,000	17.5	15.6
Mountain	2,299,000	4.9	2,031,000	4.8	268,000	13.2	12,488,000	18.4	16.9
Pacific	7,710,000	16.4	6,909,000	16.3	801,000	11.6	33,776,000	22.8	21.1
Total U.S.	**47,040,000**	**100.0**	42,360,000	100.0	4,680,000	**11.0**	**233,516,000**	**20.1**	**18.5**

*NYSE estimate based on U.S. Census and Sales & Marketing Management data

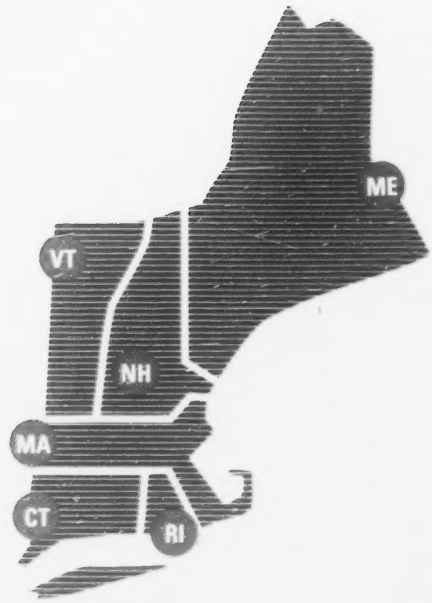
New England

Growth Rate Above National Average

The six states of the New England region scored an impressive 13.9% increase in shareownership between mid-1983 and mid-1985. Simultaneously, its estimated household population grew only 0.6%. With these increases, New England's incidence of shareownership rose to over 25% — the highest shareowner concentration of any of the nation's nine geographic regions. One out of every four individuals is a shareowner. Connecticut, where shareowner incidence now tops thirty percent, surpassed New York but remained in second position as Alaska became the state with the highest shareowner incidence in the nation.

Massachusetts remained the dominant state in New England with just under half the region's total. That state, the nation's tenth largest in terms of shareownership, had the largest numerical increase in the region. Massachusetts' rate of gain, however, was second to New Hampshire which, with a 21.6% increase, had the sixth highest growth rate in the country.

Though New England has 16 metropolitan areas with U.S. government designation as a Metropolitan Statistical Area, only one, Boston with its surrounding towns, was among the nation's 25 largest in terms of shareownership. With a shareowner base increase of 14%, it became the fifth metropolitan area to have over one million shareowning residents and it moved up one place in the rankings to become the nation's fifth largest shareowning metropolitan area. One out of every three New England shareowners resides within the Boston region.



New England

1985
3,112,000

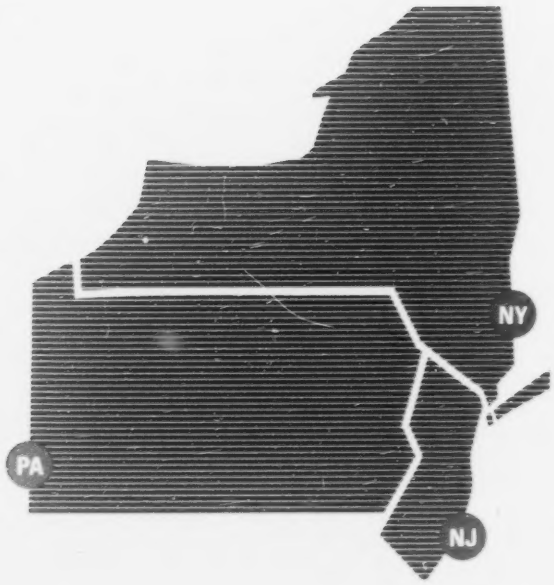
1983
2,733,000

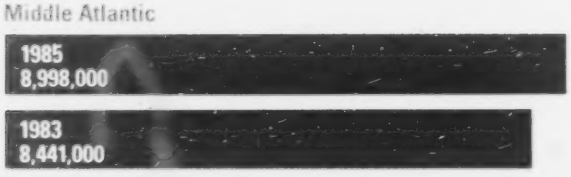
Total Shareowners of Public Corporations by Region and State

	Individual Shareowners								1985 Est.* Household Population	% Who Are Shareowners	
	Mid-1985			Mid-1983			1983 to 1985 Increase				
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
New England	—	**3,112,000**	**6.6**	—	**2,733,000**	**6.5**	**379,000**	**13.9**	**12,353,000**	**25.2**	**22.3**
Connecticut	14	946,000	2.0	13	835,000	2.0	111,000	13.3	3,090,000	30.6	27.1
Maine	42	188,000	0.4	42	165,000	0.4	23,000	13.9	1,143,000	16.4	14.6
Massachusetts	10	1,477,000	3.1	10	1,292,000	3.1	185,000	14.3	5,690,000	26.0	22.8
New Hampshire	41	203,000	0.4	41	167,000	0.4	36,000	21.6	963,000	21.1	17.5
Rhode Island	40	206,000	0.4	39	188,000	0.4	18,000	9.6	944,000	21.8	20.0
Vermont	51	92,000	0.2	51	86,000	0.2	6,000	7.0	523,000	17.6	16.7

*NYSE estimate based on U.S. census data & Mooney Management

Region Has Nation's Largest Shareowning Population Despite Sluggish Growth





Total Shareowners of Public Corporations by Region and State

	Individual Shareowners										
	Mid-1985			Mid-1983			1983 to 1985 Increase		1985 Est.* Household Population	% Who Are Shareowners	
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
Middle Atlantic	—	**8,998,000**	**19.1**	—	8,441,000	19.9	557,000	6.6	**36,679,000**	**24.5**	**23.3**
New Jersey	8	1,905,000	4.0	8	1,675,000	4.0	230,000	13.7	7,395,000	25.8	22.9
New York	2	4,954,000	10.5	2	4,695,000	11.1	259,000	5.5	17,558,000	28.2	27.3
Pennsylvania	6	2,139,000	4.5	5	2,071,000	4.9	68,000	3.3	11,726,000	18.2	17.8

*Not strictly comparable to Census estimates for Mid-1985.

Rapid Increase In Shareownership Population Continues

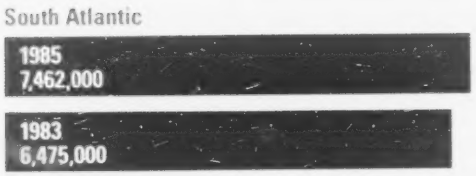
After topping the growth rate list in 1983, the South Atlantic region experienced another spectacular surge in 1985. With a 15.2% increase, it had the second highest growth rate of the nine regions.

The region's most populated state, Florida, continued to benefit from above average population increases. Between 1983 and 1985, the general population there grew at 5.4% — nearly three times the national average, while the shareowner population grew at an above average 14.0%. The state moved up one step to become the nation's fifth largest in shareownership and raised its incidence figure to 21.4%.

The fastest growing state from a shareownership perspective, however, was Georgia with an estimated 24.4% increase during the period. With this growth rate, it traded places with a slower growing state, Maryland, which grew only 6.5% during the period. Georgia moved from a position of being the 16th to being the 12th largest shareowning state while Maryland moved from 12th to 16th position.

Not technically a state, the District of Columbia continued to show the highest incidence of shareownership in the country. Better than one in three District residents was a shareowner in mid-1985.

As one of the larger geographic areas, (it holds eight states and the District of Columbia) the South Atlantic region had three metropolitan areas within the nation's top 25 — down one from 1983. Two of these, Washington D.C. and Atlanta made large upward moves on the list. Washington, the region's largest metropolitan area, became the fourth in the country to have over a million shareowners. Atlanta, with a 29% increase, moved from 15th to 11th position and by itself accounted for two-thirds of Georgia's shareowner increase. The region's third large metropolitan area, Baltimore, eased one rank to 17th position.



Total Shareowners of Public Corporations by Region and State

	Individual Shareowners										
	Mid-1985			Mid-1983			1983 to 1985 Increase		1985 Est.* Household Population	% Who Are Shareowners	
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
South Atlantic	—	**7,462,000**	**15.9**	—	6,475,000	15.3	987,000	15.2	**39,108,000**	**19.1**	**17.1**
Delaware	46	142,000	0.3	45	122,000	0.3	20,000	16.4	603,000	23.5	20.5
District of Columbia	39	211,000	0.4	38	193,000	0.5	18,000	9.3	606,000	34.8	32.0
Florida	5	2,343,000	5.0	6	2,056,000	4.9	287,000	14.0	10,942,000	21.4	19.8
Georgia	12	1,000,000	2.1	16	804,000	1.9	196,000	24.4	5,772,000	17.3	14.4
Maryland	16	936,000	2.0	12	879,000	2.1	57,000	6.5	4,294,000	21.8	20.9
North Carolina	13	963,000	2.0	14	822,000	1.9	141,000	17.2	6,092,000	15.8	13.8
South Carolina	30	406,000	0.9	30	361,000	0.9	45,000	12.5	3,287,000	12.4	11.3
Virginia	11	1,204,000	2.6	11	987,000	2.3	217,000	22.0	5,579,000	21.6	18.1
West Virginia	35	257,000	0.5	33	251,000	0.6	6,000	2.4	1,933,000	13.3	12.9

*NYSE estimate based on U.S. Census and Select & Marketing Management data.

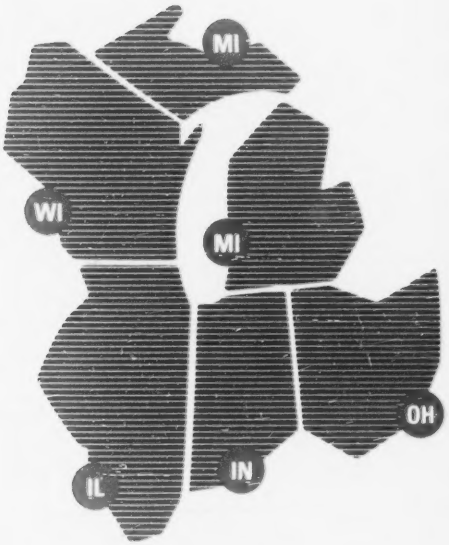
Growth Continues Slow, But All States Gain Shareowners

For the third time in as many shareownership surveys, the East North Central region registered the lowest growth rate of the nine geographic regions. At 5.9%, the region was just above half the national growth rate of 11.0%. Since 1980, the proportion of the total shareowning population there has dropped from 19.8% to 17.0% 1985.

Of the five states in the region, only Indiana expanded at a rate exceeding the national average. The two largest states, Illinois and Ohio, grew at only 3.9% and 2.9% respectively. Should this trend continue, the region would be overtaken by either the Pacific or the South Atlantic as the nation's second largest shareowning region.

This is not inconsistent with the longer term trend for this region which has been suffering a contracting population as well as economic disruptions. Indeed, this is the one region which suffered an actual numerical loss in general population between 1983 and 1985. Though that loss was numerically small, it nevertheless runs counter to the rest of the nation.

The metropolitan areas of this region echoed the state patterns. Chicago, with a 6.5% increase in shareowners, retained 3rd place ranking on the list of the nation's top twenty-five but its lead over the number four ranked area narrowed. Detroit, with a 3.3% increase, dropped from 5th to 7th position, surpassed by Washington, D.C. and Boston. Cleveland, with only a 1.0% increase, and Pittsburgh was lower dropped from a rank of 20th to 24th.

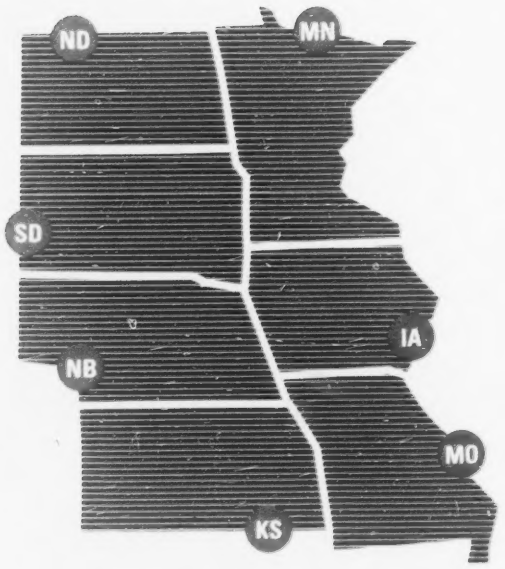


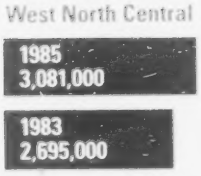
Total Shareowners of Public Corporations by Region and State

	Individual Shareowners										
	Mid-1985			Mid-1983			1983 to 1985 Increase		1985 Est.* Household Population	% Who Are Shareowners	
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
East North Central	—	7,997,000	17.0	—	7,554,000	17.8	443,000	5.9	41,056,000	19.5	18.3
Illinois	4	2,565,000	5.5	4	2,468,000	5.8	97,000	3.9	11,322,000	22.7	21.9
Indiana	17	856,000	1.8	19	751,000	1.8	105,000	14.0	5,446,000	15.7	13.8
Michigan	9	1,786,000	3.8	9	1,672,000	3.9	114,000	6.8	8,997,000	19.9	18.4
Ohio	7	1,939,000	4.1	7	1,884,000	4.4	55,000	2.9	10,598,000	18.3	17.7
Wisconsin	18	851,000	1.8	18	779,000	1.8	72,000	9.2	4,693,000	18.1	16.5

*NYSE estimates based on Current Population Survey

Solid Gain in Shareowner Population Through Most of the Region



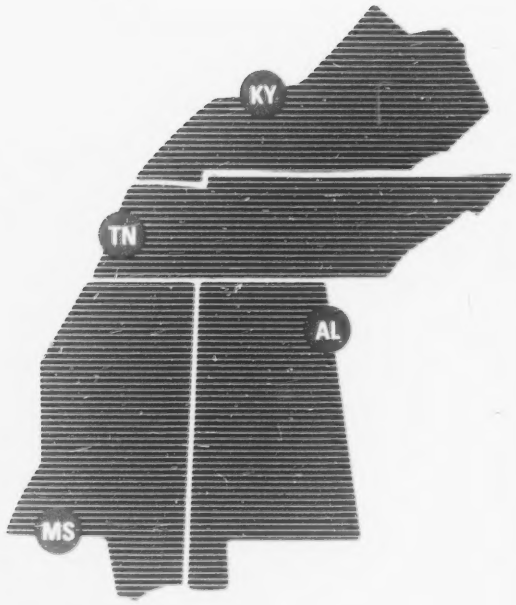


Total Shareowners of Public Corporations by Region and State

	Individual Shareowners										
	Mid-1985			Mid-1983			1983 to 1985 Increase		1985 Est.* Household Population	% Who Are Shareowners	
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
West North Central	—	3,081,000	6.5	—	2,695,000	6.4	386,000	14.3	17,292,000	17.8	15.7
Iowa	28	442,000	0.9	26	427,000	1.0	15,000	3.5	2,863,000	15.3	14.8
Kansas	31	400,000	0.9	31	352,000	0.8	48,000	13.6	2,399,000	16.7	14.8
Minnesota	20	794,000	1.7	20	681,000	1.6	113,000	16.6	4,100,000	19.4	16.6
Missouri	15	939,000	2.0	17	796,000	1.9	143,000	18.0	4,946,000	19.0	16.2
Nebraska	33	286,000	0.6	32	255,000	0.6	31,000	12.2	1,587,000	18.0	16.2
North Dakota	47	117,000	0.2	48	93,000	0.2	24,000	25.8	678,000	17.3	14.0
South Dakota	49	103,000	0.2	50	91,000	0.2	12,000	13.2	699,000	14.7	13.2

*Not necessarily equal to number of households.

Nation's Smallest Shareowning Region Has Above-Average Growth



East South Central

1985
1,861,000

1983
1,650,000

Total Shareowners of Public Corporations by Region and State

	Individual Shareowners										
	Mid-1985			Mid-1983			1983 to 1985 Increase		1985 Est.* Household Population	% Who Are Shareowners	
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
East South Central	—	**1,861,000**	**4.0**	—	1,650,000	3.9	211,000	12.8	**14,896,000**	**12.5**	**11.1**
Alabama	26	483,000	1.0	27	474,000	1.0	59,000	13.9	3,962,000	12.2	10.8
Kentucky	27	462,000	1.0	28	392,000	0.9	70,000	17.9	3,694,000	12.5	10.6
Mississippi	37	251,000	0.5	37	220,000	0.5	31,000	14.1	2,575,000	9.7	8.6
Tennessee	22	665,000	1.4	21	614,000	1.4	51,000	8.3	4,665,000	14.3	13.2

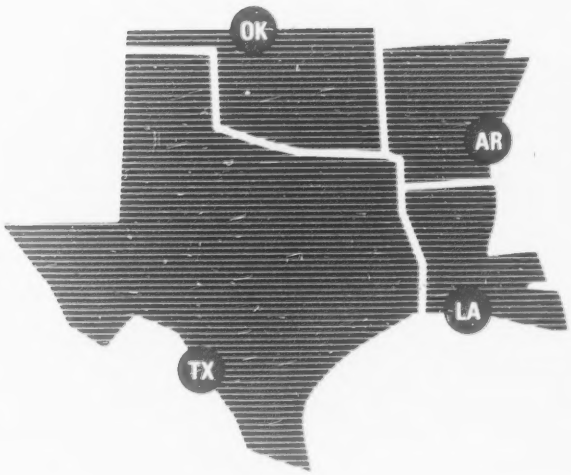
*Not Census Bureau's Projected Total U.S. Household Population

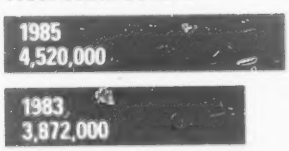
Region Posts Nation's Fastest Growing Shareowner Population during Past Two Years

All four states in the West South Central region of the country experienced above average shareowner increases between mid-1983 and mid-1985. Arkansas, the state with the largest percentage increase in the region, raised its ranking from 34th position to 32nd. Texas, the largest state in the region, retained its rank as third largest shareowning state in the country. Shareownership there grew by 175%.

Led by Arkansas and Texas, the region increased its percent of all shareowners from 9.1% to 9.6% during the two year period between studies. Still, the region and every state within it, showed an incidence well below the national average. Even Texas, which had the highest incidence in the region, was below the national average.

Two of this region's metropolitan areas ranked within the nation's top twenty-five. Houston, with an 11.9% increase in ownership, stayed in ninth position while Dallas, in spite of a 20.3% increase, dropped one position from 11th to 12th place.





Total Shareowners of Public Corporations by Region and State

	Individual Shareowners										
	Mid-1985			Mid-1983			1983 to 1985 Increase		1985 Est.* Household Population	% Who Are Shareowners	
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
West South Central	—	**4,520,000**	**9.6**	—	**3,872,000**	**9.1**	**648,000**	**16.7**	**25,868,000**	**17.5**	**15.6**
Arkansas	32	311,000	0.7	34**	246,000	0.6	65,000	26.4	2,330,000	13.3	10.7
Louisiana	23	633,000	1.3	23	568,000	1.3	65,000	11.4	4,411,000	14.4	13.2
Oklahoma	25	515,000	1.1	25	452,000	1.1	63,000	13.9	3,282,000	15.7	14.4
Texas	3	3,061,000	6.5	3	2,606,000	6.2	455,000	17.5	15,845,000	19.3	17.3

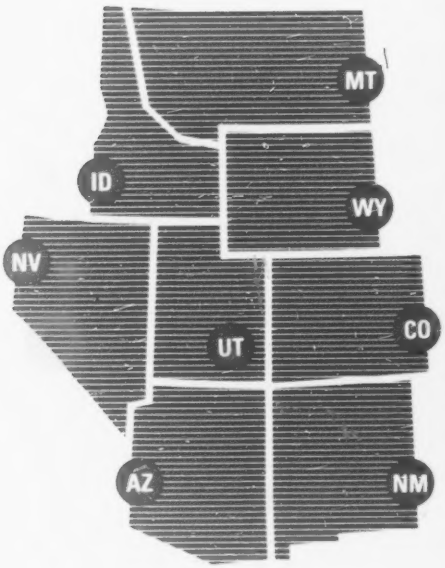
*NYSE estimates based on U.S. Census and Sales and Marketing Management data.
**Indicates tie.

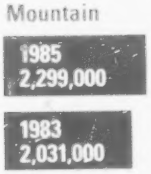
Eight State Region Continues Rapid Growth Trend

The diverse region of Mountain states showed equally diverse shareowner growth patterns between 1983 and 1985. Rates of increase ranged from 2.2% for Wyoming, the nation's smallest increase, to New Mexico which, with a 20.8% increase, was well above the national average. Overall, this region experienced an above average gain compared with the rest of the nation.

Still, of the eight states in the region, only Colorado was above the national incidence ratio. Other states registered incidence levels ranging from 13.8% (Montana) to 18.9% (Arizona.)

Only Denver, of all the region's metropolitan areas, was on the list of the nation's 25 largest metropolitan areas. After Denver's geographical boundaries were redefined by the U.S. Office of Management and Budget, (a change which caused Denver to fall from 21st in 1981 to 25th place in 1983), it regained three positions and moved to 22nd place in 1985. Denver showed a 17.0% increase in number of shareowners between surveys.





Total Shareowners of Public Corporations by Region and State

	Individual Shareowners										
	Mid-1985			Mid-1983			1983 to 1985 Increase		1985 Est.* Household Population	% Who Are Shareowners	
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
Mountain	—	**2,299,000**	**4.9**	—	**2,031,000**	**4.8**	**268,000**	**13.2**	**12,488,000**	**18.4**	**16.9**
Arizona	24	575,000	1.2	24	513,000	1.2	62,000	12.1	3,044,000	18.9	17.6
Colorado	21	695,000	1.5	22	598,000	1.4	97,000	16.2	3,160,000	22.0	19.6
Idaho	45	158,000	0.3	44	136,000	0.3	22,000	16.2	997,000	15.8	13.9
Montana	48	112,000	0.2	47	107,000	0.3	5,000	4.7	811,000	13.8	13.4
Nevada	43	168,000	0.4	43	156,000	0.4	12,000	7.7	902,000	18.6	17.9
New Mexico	38	221,000	0.5	40	183,000	0.4	38,000	20.8	1,422,000	15.5	13.4
Utah	34	276,000	0.6	34**	246,000	0.6	30,000	12.2	1,647,000	16.8	15.8
Wyoming	50	94,000	0.2	49	92,000	0.2	2,000	2.2	505,000	18.6	18.2

*NYSE estimates based on U.S. Census and Sales & Marketing Management data.
**Indicates tie.

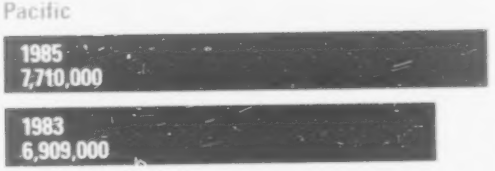
California Remains Nation's Largest Shareowning State

With an 11.6% increase, the Pacific region remained the third largest shareowning region in the country after the Mid-Atlantic and the East North Central. An above average growth rate, however, moved this region's shareowning population closer in size to both of these larger regions.

Within the region, California retained the premier position as the state with the largest shareowning population. In mid-1985, an estimated 639,000 shareowners were added to the 1983 total. That was the largest numerical gain of all the states in the country and it pushed California's total number of shareowners to over six million. More shareowners live in that one state than live in five of the country's nine geographic regions. At the same time, California accounts for nearly 78% of the Pacific region's total number of shareowning individuals.

A second state in the region topped two rankings. Alaska, with a shareowner increase of 40.4%, had the largest percentage gain of any state in the country. That gain helped raise Alaska's incidence figure to a new high of 31.2%, to rival it the most concentrated shareowning population of any state in the country. Only the District of Columbia, which is technically not a state, had a higher shareowner incidence.

Seven of the region's metropolitan areas rank in the top 50 of the country's twenty-five largest. Anaheim-Santa Ana-Garden Grove, with a 30.6% increase, moved from 9th to second position and Anaheim-Santa Ana ranked as sixth fastest. San Jose and Honolulu both moved up in their rankings to 9th and 23rd positions, while San Francisco-Oakland, Los Angeles-Long Beach and Seattle-Everett dropped to the 11th, 12th and 20th positions, respectively.



Total Shareowners of Public Corporations by Region and State

Individual Shareowners

	Mid-1985			Mid-1983			1983 to 1985 Increase		1985 Est.* Household Population	% Who Are Shareowners	
	Rank	Number	% of Total	Rank	Number	% of Total	Number	% Increase		1985	1983
Pacific	—	7,710,000	16.4	—	6,909,000	16.3	801,000	11.6	33,776,000	22.8	21.1
Alaska	44	160,000	0.3	46	114,000	0.3	46,000	40.4	513,000	31.2	25.6
California	1	6,006,000	12.8	1	5,367,000	12.7	639,000	11.9	25,292,000	23.7	21.9
Hawaii	36	256,000	0.5	36	234,000	0.6	22,000	9.4	1,033,000	24.8	23.6
Oregon	29	441,000	0.9	29	389,000	0.9	52,000	13.4	2,639,000	16.7	14.6
Washington	19	847,000	1.8	15	805,000	1.9	42,000	5.2	4,299,000	19.7	19.0

*Not strictly comparable because of Census revisions in Metropolitan Area definitions.

Shareowner Profiles

Nearly Seven Million Individuals Were First Time Investors

Between mid-1983 and mid-1985 6.8 million individuals invested money in publicly traded corporate stocks for the first time. Typically, these new owners were younger than their veteran counterparts, had a smaller portfolio, a lower income, and were less active as measured by the value of their transactions during the year prior to the study. Fifty-seven percent of them were female compared with 47% of the veteran shareowner population.

Compared to 1983, the percentage of new shareowners who owned NYSE-listed stock dropped from 70.1% to 49.8%; those who owned an OTC-traded stock dropped from 26.6% to 17.8%; but the percentage who owned shares in a mutual fund jumped from 28.9% to 40.9%.

Among veteran shareowners, those individuals who have been shareowners for two years or more, a similar trend was seen but with much less dramatic changes.

It is likely the shift in market place was related to a large increase in IRA ownership among both new and veteran shareowners. Many of these accounts are offered by mutual funds themselves while many others are offered by institutions which invest mainly in mutual funds.

Typically, the new shareowner was younger and had a smaller portfolio than did the veteran shareowner. Also, new shareowners were more conservative toward their investments than were their counterparts two years before. Only a third of the new shareowners said they would be willing to take a moderate to substantial amount of risk. Two years earlier, 46.2% said they would assume that amount. The veteran population, on the other hand, became more willing to take some risk. More than a third of the experienced shareowners said they would be willing to take moderate to substantial risk compared to 27.6% two years earlier.

Profile of Adult Shareholders: New vs. Veteran

	Mid-1985		Mid-1983	
Percent:	New	Veteran	New	Veteran
Male/Female	42.8/57.2	53.2/46.8	43.0/57.0	49.5/50.5
Single	12.2	8.2	25.2	11.4
Employed	86.6	72.8	83.3	65.2
Employed as*				
Professional/Technical	26.7	33.4	28.3	27.8
Managers/Proprietors	22.0	28.2	20.8	30.0
Clerical/Sales	23.7	17.2	31.2	18.4
First Stock Acquisition				
Broker/Dealer	36.4	43.6	34.7	42.4
Employee Plan	32.1	26.2	32.8	32.2
Gift/Inheritance	6.7	20.6	10.9	16.0
Willing to Take Substantial/Moderate Investment Risk	33.4	34.6	46.2	27.6
Own NYSE Stock	49.8	76.3	70.1	81.0
Own OTC Stock	17.8	25.6	26.6	29.6
Own Mutual Fund	40.9	28.8	28.9	22.0
Own 1 Stock Issue	65.8	43.4	64.5	48.9
Have IRA or Keogh	62.0	64.0	46.3	44.6
Broker Usage**				
Full Service only	61.9	69.8	NA	NA
Discount only	23.7	13.1	NA	NA
Both	14.4	17.1	NA	NA
Median:				
Age	34	47	34	50
Household Income	$34,900	$37,600	$30,000	$33,800
Portfolio Value	$ 2,200	$ 7,600	$ 2,200	$ 7,800
Stock Transaction Value (past year)	$ 3,810	$ 5,600	$ 2,260	$ 5,170

*Full-time employees
**Based on most active broker
NA - Not Available

Women and Men Have Similar Investment Behavior

Profile of Adult Shareowners: Women vs. Men

	Mid-1985		Mid-1983	
Percent:	Women	Men	Women	Men
Employed	65.7	83.0	57.6	80.4
Employed as*				
Professional Technical	38.1	27.8	28.2	25.7
Managerial Proprietor	24.7	29.2	22.0	29.5
Clerical Sales	30.5	19.6	40.5	12.2
Completed College	39.0	51.0	33.5	40.3
Married	71.4	85.9	65.3	80.8
Widowed	10.3	2.1	14.1	2.9
One Person Household	13.7	6.8	20.1	9.0
First Stock Acquired				
Broker/Dealer	41.1	43.4	43.5	41.6
Employee Plan	27.6	27.1	26.9	35.7
Gift/Inheritance	20.7	15.3	18.3	11.4
Willing to Take Substantial or Moderate Investment Risk	28.7	36.6	23.6	38.0
Have IRA or Keogh	62.8	63.4	47.5	48.2
Broker Usage**				
Full Service only	66.0	74.3	NA	NA
Discount only	16.9	11.0	NA	NA
Both	17.1	14.7	NA	NA
Own NYSE Stock	68.9	73.6	73.3	77.6
Own OTC Stock	22.0	27.6	27.1	31.2
Own Mutual Fund	30.7	28.2	23.8	21.7
Own NYSE Stock only	50.1	45.2	53.6	48.9
Own 1 Stock Issue only	50.1	47.0	56.6	50.5
Median				
Age	46	45	49	44
Household Income	$34,400	$39,400	$30,500	$35,300
Portfolio Value	$ 5,200	$ 7,100	$ 4,100	$ 7,400

*Of the employed
**Based on those who own stock
NA - Not Available

One in Four Shareowners Made First Stock Purchase Through an Employee Plan

In mid-1985, 34.0% of all shareowners reported participating in an employee purchase plan where they work. Moreover, 27% of all shareowners named those plans as the method of making their first stock purchase.

As a group, employee owners differed from the general shareowner population in several areas. Typically, they were younger, male, and more likely to own the single stock issue which was purchased through the plan.

Because many employer plans are sponsored by successful, progressive companies which are likely to be NYSE listed, employee plan owners showed a high level of NYSE stock ownership. In all, 86% of the employee plan owners owned an NYSE stock and 70% owned only NYSE stock. Only one in three employee purchase plan participants had a brokerage account.

Although employee plan owners were less likely than non-plan owners to be in professional or managerial positions, the median household income for the group was above that of the general shareowning population. One reason for this was the lack of retired individuals who were often at the low end of the income distribution. Another was the trend seen in recent years toward the multiple income family. Employee purchase plan participants, because they are younger than the average shareowners, are more likely to be a part of that trend. In fact, 60.3% of the married employee purchase plan owners reported having a working spouse compared with 51.4% of all owners.

Profile of Adult Shareowners: Employee Stock Purchase Plan Owners vs. All Adult Shareowners

	Mid-1985		Mid-1983	
Percent:	Employee Plan Owners	All Adult Shareowners	Employee Plan Owners	All Adult Shareowners
Male/Female	53.5/46.5	50.0/50.0	55.4/44.6	48.5/51.5
Employed as:*				
Professional or Managerial	51.9	59.3	46.4	53.5
Clerical/Sales	16.1	18.2	25.7	23.3
Craftsmen/Foremen	20.2	9.7	19.3	14.8
First Stock Acquisition:				
Employee Plan	71.0	27.3	72.7	32.3
Broker/Dealer	15.6	42.3	11.8	41.1
Gift/Inheritance	6.1	17.9	5.8	14.9
With Household Brokerage Account	33.2	49.6	33.9	50.5
Own NYSE Stock	86.0	71.4	92.8	78.5
Own OTC Stock	12.8	24.9	19.9	29.1
Own Mutual Fund	17.1	29.4	11.2	22.8
Own NYSE only	70.2	47.7	68.3	51.3
Own 1 Stock Issue only	55.3	48.5	63.5	53.1
Have IRA or Keogh	58.2	63.1	40.9	45.3
Broker Usage:**				
Full Service only	78.0	69.8	NA	NA
Discount only	7.3	14.2	NA	NA
Both	14.7	16.0	NA	NA
Median				
Age	40	45	41	46
Household Income	$39,700	$36,800	$36,000	$33,200
Portfolio Value	$ 5,200	$ 6,200	$ 4,500	$ 5,100
Financial Assets Value	$32,600	$44,200	$28,300	$42,600

*Full-time employees
**Based on those who use brokers
NA—Not Available

Shareowners over Sixty-five Remain Active Investors with Large Portfolios

The number of shareowners 65 years of age and over decreased between mid-1983 and mid-1985 to just over six and a half million. Still, they comprised an important segment of the investing public which, according to present demographic distributions, will grow rapidly in the near future.

As the most risk-averse investors (53% wanted to take only minimum investment risks), senior citizens preferred buying and selling through a broker (79%), and they were likely to have been in the stock market for more than two years (96.6%).

Being older, these individuals had spent many years building large portfolios with several stock issues. In mid-1985, the median portfolio value of shareowners 65 and over was $21,800 compared with a $5,400 median for shareowners under 65. Also, 71% have more than one stock issue within that portfolio compared with 49% of the younger investors, and they traded $8,540 worth of stock during the year prior to the survey compared with $4,450 for those under 65. The older shareowners showed more diverse market participation than did the under 65 group—82% owned NYSE listed stock, 27% owned OTC stock, and 34% owned mutual funds. Comparable percentages for shareowners under 65 were 70%, 25%, and 29% respectively.

Surprisingly, 45.3% of the shareowners over 65 had an IRA or Keogh account. Though that percentage was below the number seen among the younger shareowners, it was more than double the 1983 figure. Some of this increase was due to individuals with IRA's who turned 65 within the past two years but that could not account for so large an increase. Clearly, senior citizens, too, were interested in the tax advantages these accounts provide.

As might have been expected, a large percentage of senior citizens reported living in a one-person household and 30% reported being widowed. Because of the large number of retired individuals in this group, only 15% were permanently employed at the time of the survey.

Profile of Adult Shareowners: Over 65 vs. Under 65

	Mid-1985		Mid-1983	
Percent:	Over 65	Under 65	Over 65	Under 65
Male/Female	50.3/49.7	49.9/50.1	42.0/58.0	50.1/49.9
Widowed	29.8	7.2	29.7	4.0
Employed	14.5	83.5	17.4	79.9
One-Person Households	26.5	8.1	28.8	11.8
First Acquired Stock More Than Two Years Ago	96.6	81.1	97.4	76.7
Willing to Take Substantial/Moderate Investment Risks	20.3	34.4	18.5	33.3
Willing to Take Only Bare Minimum Investment Risks	53.0	24.9	46.7	24.2
Own NYSE Stock	81.7	69.9	92.2	75.6
Own OTC Stock	27.4	24.6	31.1	26.3
Own Mutual Fund	34.0	28.8	17.4	23.7
Own NYSE only	39.9	48.8	54.3	51.3
Own 1 Stock Issue only	29.2	51.2	31.8	57.6
Have IRA or Keogh	45.3	65.3	19.5	50.0
Broker Usage**	79.1	59.2	84.2	55.7
Full Service only	80.4	67.9	NA	NA
Discount only	10.5	14.9	NA	NA
Both	9.1	17.3	NA	NA
Median				
Age	71	42	71	41
Portfolio Value	$21,800	$ 5,400	$13,800	$ 4,400
Household Income	$24,300	$38,900	$22,300	$34,900
Stock Transaction Value During Past Year	$ 8,540	$ 4,450	$10,300	$ 3,700

**Based on those who use brokers
NA—Not Available

Brokerage Account Holders Are Active Investors

At mid-1985, half of all shareowners said they had a brokerage account. That percentage was essentially the same as it was in mid-1983.

Shareowners with accounts had different characteristics than shareowners without. They tended to be on the high end of most demographics measured: they were slightly older, better educated, had higher income and larger assets, than did the shareowners with no account. Also, they were more active investors and were more likely to have an IRA or a Keogh account.

Differences, however, were smaller than they were in 1983. Over the two years, the median portfolio value fell by $7,900 while the value of stock transactions made during the year prior to the study made only a slight upward move. During the same time, non-account owners' portfolio value and previous year's trading both increased by $1,700. These are changes which logically would result from the upswing of IRA accounts, among both owners and non-owners of brokerage accounts. Individuals with brokerage accounts, however, put their IRA funds into stocks and often owned NYSE issues only. Individuals without brokerage accounts bought mutual funds and increased total ownership in that type of investment.

Among shareowners with a brokerage account, 73% made at least one transaction during the twelve months prior to the study. The median value of all transactions during that year was over $2,300. Among shareowners without accounts, only a third made some transaction during the previous year and the median value of the year's transactions was only $2,300.

The median portfolio value of shareowners with a brokerage account was $9,200 compared with a $3,600 figure for those with no account. It was likely to contain a larger variety of stocks. Only 29% owned one stock issue only. Seventy percent had an IRA or Keogh account.

Among shareowners without accounts, two thirds owned one stock issue only and 57% had an IRA or Keogh account.

Profile of Adult Shareowners: Brokerage Account vs. No Brokerage Account

	Mid-1985		Mid-1983	
Percent:	Brokerage Account	No Brokerage Account	Brokerage Account	No Brokerage Account
Male/Female	52.9/47.1	47.6/52.4	51.7/48.9	45.7/54.3
Completed College	53.7	37.6	48.9	29.4
Employed as*				
Professional or Managerial	65.3	52.3	63.5	47.2
Clerical/Sales	19.8	18.0	20.4	26.6
First Stock Acquisition:				
Broker/Dealer	65.9	36.8	62.3	19.0
Employee Plan	15.7	41.7	17.7	48.4
Most Recent Stock Transaction Within Past Year	72.5	34.9	69.2	31.2
Willing to Take Substantial/Moderate Investment Risks	43.7	25.2	40.3	23.8
Own NYSE Stock	75.2	69.3	78.4	38.2
Own OTC Stock	33.5	13.7	44.8	14.2
Own Mutual Fund	29.7	29.0	29.0	16.9
Own NYSE only	39.7	57.6	34.0	67.7
Own 1 Stock Issue only	29.0	67.8	31.1	79.7
Have IRA or Keogh	70.0	56.8	53.8	36.5
Brokerage Usage				
Full Service only	68.1	—	NA	—
Discount only	14.6	—	NA	—
Both	17.3	—	NA	—
Median				
Age	45	43	50	43
Household Income	$42,700	$33,000	$38,900	$30,400
Portfolio Value	$ 9,200	$ 3,600	$11,100	$ 2,400
Stock Transaction Value During Past Year	$ 7,300	$ 2,300	$ 7,000	$ 1,500

*Full-time employees
NA – Not Available

More Shareowners Have an IRA or Keogh Account

In mid-1985, 63.1% of all shareowners had an IRA or Keogh account compared with 45.3% in mid-1983 for nearly a forty percent increase. Nearly two out of every three shareowners had such an account.

Because having an IRA or Keogh has become so prevalent among shareowners, a profile of IRA/Keogh owners strongly influences and resembles a profile of the general shareowning population. Still, IRA or Keogh owners remained more likely than other shareowners to own a mutual fund and to have made a stock transaction within the year preceding the study. Demographically, IRA and Keogh owners were only slightly older than the general shareowning population and they tended to have somewhat higher household incomes and portfolio values.

During the two year period between surveys, however, there was a shift toward NYSE stock ownership among IRA and Keogh owners. This was one area where mutual fund ownership declined while ownership of NYSE issues increased. In mid-1985, there was almost equal ownership of mutual funds compared with NYSE only issues. In mid-1983, mutual funds held a substantial lead.

Among IRA and Keogh owners there was a drop in portfolio value during the two years between studies. Since price indicators show that such a decline would not result from portfolio depreciation, it appears to have resulted from a combination of the many new accounts which were opened with small initial investments and perhaps some transfer of funds to other areas. Among shareowners with no IRA or Keogh plan, the two year changes were less dramatic.

Profile of Adult Shareowners: IRA/Keogh Investors vs. All Adult Shareholders

	Mid-1985		Mid-1983	
Percent	IRA Keogh Investors	All Adult Shareowners	IRA Keogh Investors	All Adult Shareowners
Male/Female	50.9/49.1	50.0/50.0	48.7/51.3	48.5/51.5
Completed College	48.0	44.9	51.9	36.8
Employed as:*				
Professional or Manager	64.4	59.3	64.3	53.5
Clerical/Sales	16.9	18.2	17.0	23.3
Made Stock Transaction Within Past Year	64.4	53.6	66.5	44.4
With Household Brokerage Account	56.6	49.6	63.2	50.5
Willing to Take Substantial/Moderate Investment Risks	37.0	32.6	45.5	30.7
Own NYSE Stock	69.1	71.4	70.1	78.5
Own OTC Stock	24.8	24.9	40.2	29.1
Own Mutual Fund	40.2	29.4	48.7	22.8
Own NYSE only	41.2	47.7	26.5	51.3
Median				
Age	47	45	45	46
Household Income	$41,800	$36,800	$42,700	$33,700
Portfolio Value	$ 8,300	$ 6,200	$12,500	$ 5,100

Attitudes Toward Shareownership: A Look at the Future

In addition to current owners of stock and stock mutual funds, *Shareownership 1985* surveyed individual owners of other major investments and stockbrokers. These special data, collected in November and December 1985, are intended to look ahead — beyond current characteristics and behavior — to gauge the public outlook for the economy and future stock purchase intentions. The survey of brokers, presented separately, is intended to add professional perspectives on the motivations and behavior of the investing public.

Investing Is Widespread Among U.S. Households

Nearly half—47%—of all U.S. households own one or more major investment vehicles; that is, they invest in some financial product beyond just a savings account, life insurance policy or pension plan.

Not only is investing widespread, but it also encompasses a variety of financial products. The most widely owned are individual retirement accounts, money market funds or accounts, stock, and real estate other than a primary residence. Investing in certificates of deposit, collectibles such as art or stamps, and government bonds is also fairly widespread.

Beyond their current investments, the other financial characteristics of these households confirm that they represent a significant investment force.

- Just under 4 in 5 own their own home.
- Nearly half have assets of $100,000 or more.
- Half have an annual income over $35,000.

Financial Products Owned by Investing Public (n = 948)

Percent who own

Individual retirement accounts	53%
Money market funds or accounts	50
Common or preferred stock	48
Real estate other than primary residence	41
Certificates of deposit	37
Collectibles	36
Government bonds	31
Stock mutual funds	18
Municipal bonds or funds	16
401 K savings plans	11
Corporate bonds	7

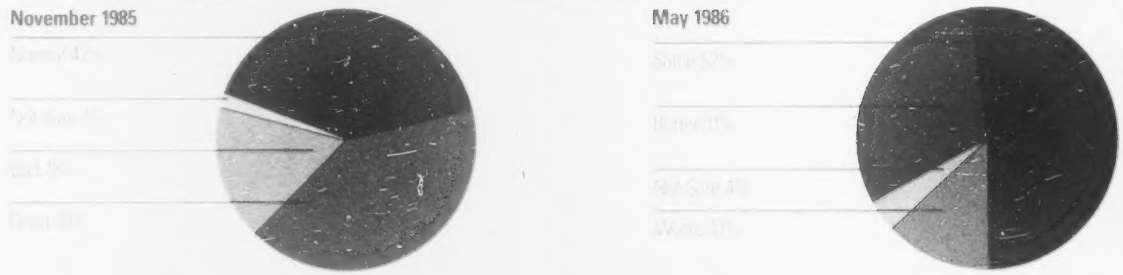
Public Shows Optimism for Economy and Stock Market

Most investing households show considerable optimism about the nation's economy and their own finances. In December 1985, at the time of the survey, some 8 in 10 felt that business conditions in the areas where they lived were either good or normal. And, they had an optimistic outlook about the future: nearly one-third thought conditions would be better in just six months. About a third saw unchanged conditions and only 33% foresaw a worsening.

Positive attitudes toward the economy extend to investors' own financial status. Nearly 90% said they were better off or the same as they were one year earlier. Optimism prevails for the coming year as well: virtually all predicted they would be better off or have the same financial status one year hence.

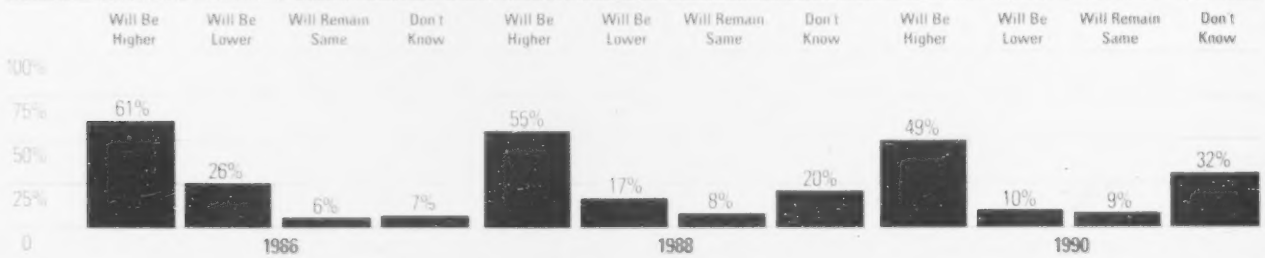
Zeroing in on the predictions of stock and stock mutual fund owners, similarly optimistic views were expressed on the future direction of the stock market. Most shareowners were bullish on the coming year: 6 in 10 predicted the market would be higher, only about one-fourth thought it would be lower, and the remainder saw stable conditions or had no opinion. Shareowners' long-term outlook, understandably, involved greater uncertainty. Nearly a third said they did not know in which direction the market would move over the next five years. But, among those with an opinion, the three-year and five-year forecasts were decidedly "up."

Investing Publics' Ratings and Predictions for Local Business Conditions



Investing Publics' Ratings of Own Financial Status

Shareowners' Forecasts for Stock Market (Compared to December 1985)



Investors Are Receptive to Stock Investing

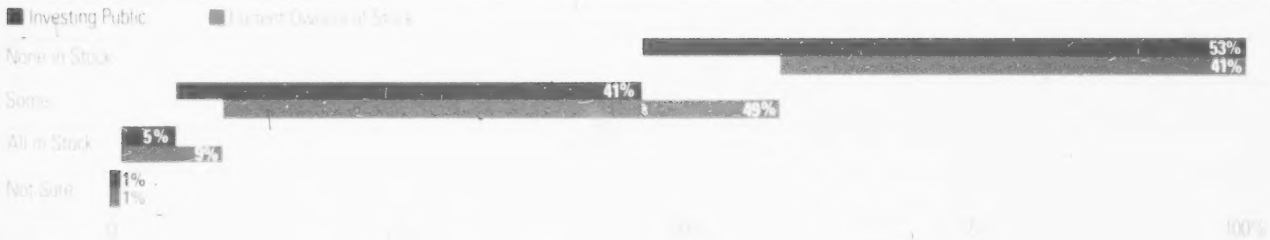
To gauge public attitudes toward stock as an investment, survey respondents were asked a hypothetical question: If they received a $20,000 cash windfall, how much, if any, would they invest in common stock? Their responses reflect a sense of broad receptivity to stock as a potential investment. Nearly half of the investing public would put all or some of that windfall into common stock. What is especially meaningful is that investors who already own stock — those who understand the inherent rewards and risks — would be even more likely to put their windfall money toward stock. 9% would put the entire sum into stock and another 49% would invest at least part in stock.

Shareowners do not, however, exhibit interest with only hypothetical funds. Their interest translates into actual intentions that promise a strong future for shareownership. Over half of current owners say they intend to increase their stock holdings during 1986. About 1 in 3 will maintain their current positions and only a small minority will sell all or some of their stock. The forecast from stock mutual fund owners is similarly optimistic. Most of them will buy more fund shares or hold their current fund investment during 1986. Only a few intend to sell.

Shareowners' plans for their stock and mutual fund holdings appear influenced, in large part, by their age. Some 70% of young shareowners — those 40 and under — intend to increase their stock holdings in 1986. Far fewer shareowners 55 or older — only 40% — will add to their stock investments. These intentions are not surprising given basic life-cycle considerations. Younger owners are probably at a point in their lives where accumulating investments is a natural outgrowth of developing careers. Older investors, on the other hand, are looking toward retirement or already retired. Since many of them depend on their investment income for living expenses, they may not have discretionary income for additional stock purchases.

Despite their lesser likelihood to accumulate additional stock, older shareowners still represent a significant investing force: they have substantial portfolios and yearly transactions as well as the investment acumen to explore new products, such as IRA's. (See page 29, for a profile of senior citizen shareowners).

Hypothetical Investment of $10,000 Windfall



Shareowners' Plan for Holdings in 1986

Stockbrokers Forecast Growth in Shareownership

As investment professionals, stockbrokers have an especially insightful perspective on the future of shareownership. Ongoing contact with investors through a wide variety of market conditions gives them a unique opportunity for understanding the barriers and incentives that affect investor participation in the market.

Brokers recognize that certain economic factors act as the primary stimulants and deterrents for stock investors. Currently, interest rate sensitivity is key: brokers say low rates and low inflation will stimulate investment, while uncertainty about the direction of rates will stifle growth. Likewise, optimal perceptions of the economy and the direction of the stock market can fuel the growth of shareownership or work against it. The budget deficit is also recognized as a key factor affecting stock investors.

Beyond purely economic determinants, brokers cite a number of other major issues that will affect future shareownership. Investors' fear of loss and perceptions of stock's riskiness are mentioned by brokers as major deterrents affecting share ownership. In addition, control of the market by institutions is mentioned by 20% of stockbrokers as a disincentive to investor participation. Finally, they cite a need for better investor education to overcome what some perceive as a lack of knowledge about stock.

Considering all factors operating in the current market, stockbrokers see the positives, by far, outweighing the negatives; they forecast growth in the number of owners of common stock over the next few years. In fact, three times as many predict an increase as a decrease.

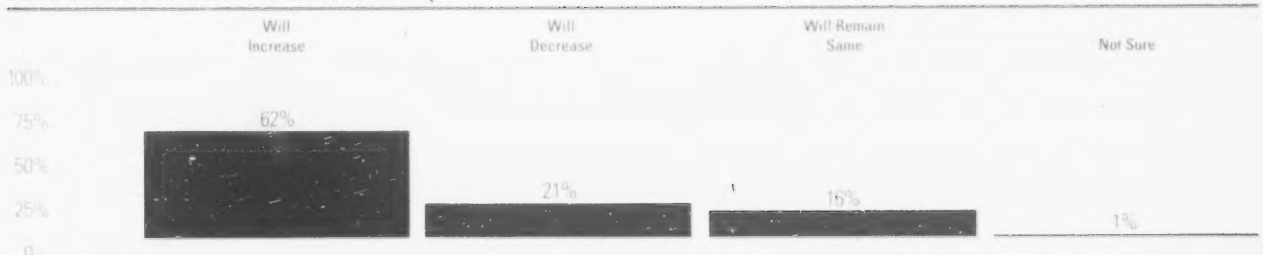
Together, the attitudes of investors and stockbrokers point toward a bright future for shareownership. Shareowners predict several years of strong markets and many plan to increase their participation. Stockbrokers see in that strength signs of continued growth in the number of Americans who will become shareowners.

Stockbrokers' Perceptions of Key* Factors Affecting Shareownership

Working Against Growth		Will Increase Participation	
Fear of loss/risk	20%	Low interest rates	27%
Control by institutions	20	Better education/public awareness	24
Public lack of knowledge	20	Better economy	20
Uncertainty about interest rates	14	Appreciating market	18
Budget deficit	11	Low inflation	14
Uncertain economy	11	Lack dominated by institutions	11
Volatile stock market	10	Opportunity to profit	10
Competition from other investments	10	Reduced deficit	10
Small investors at disadvantage	9	Less volatility	9
		High dividends	8

*As reported by 200 stockbrokers

Stockbrokers' Predictions for Shareownership



Acknowledgements

The New York Stock Exchange wishes to extend thanks for the success of its Shareownership 1985 survey to the thousands of people who were willing to respond by telephone and mail, and to the many participating corporations and securities industry organizations, especially the following:

Corporations and Stock Mutual Funds:

Brokerage Firms:

Background

The New York Stock Exchange's 1985 shareownership survey is the eleventh in a series of studies conducted to enumerate and profile shareowners in the United States. The Exchange's 1985 shareowner study was comprised of a series of independent surveys. The mainstay of the nation's shareowner tallies comes by way of a household survey in which household members are asked whether they own stock in publicly owned corporations. An investor survey explored attitudes and opinions from owners of major investments. Brokers were surveyed for their perspectives regarding differences in investor behavior before undertaking the first direct survey in mid-1985, the Exchange created a yardstick study designed to cross validate claims of shareownership in each survey. Extensive interviewing together with [illegible] was used. The process required a lot of computer tasks to select names of shareowners from households, and verify them within households. The results of the study were adjusted to 1985 and corrective factors were applied to the 1985 survey.

1985 Shareowner Survey

For the 1985 survey, 11,422 individuals were contacted by telephone using random digit dialing. Telephone interviews were completed with 5,001 respondents. Of these, 1,829 were shareowners and 3,172 were non-owners. A subsample of the shareowning individuals received a detailed follow-up mail questionnaire which delved into key aspects of shareownership that a telephone investment be taken. A second subsample of 867 non-shareowners received a similar mail survey designed to ascertain the reasons for not shareowning. Mail questionnaires were sent to [illegible] to determine their attitudes toward the stock market and investing. For the 1985 survey, figures are based on [illegible] for the [illegible] [illegible] [illegible]

Additional Shareownership Data Are Available